

Adopted	Rejected
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COMMITTEE REPORT

YES:	15
NO:	3

MR. SPEAKER:

Your Committee on **Ways and Means**, to which was referred House Bill 1681, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill **be amended** as follows:

- 1 Page 1, between the enacting clause and line 1, begin a new
- 2 paragraph and insert:
- 3 "SECTION 1. IC 6-6-9.5 IS ADDED TO THE INDIANA CODE
- 4 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
- 5 JULY 1, 2005]:
- 6 **Chapter 9.5. Vanderburgh County Supplemental Auto Rental**
- 7 **Excise Tax**
- 8 **Sec. 1. This chapter applies to Vanderburgh County.**
- 9 **Sec. 2. As used in this chapter, "department" refers to the**
- 10 **department of state revenue.**
- 11 **Sec. 3. As used in this chapter, "gross retail income" has the**
- 12 **meaning set forth in IC 6-2.5-1-5.**
- 13 **Sec. 4. As used in this chapter, "passenger motor vehicle" has**
- 14 **the meaning set forth in IC 9-13-2-123(a).**
- 15 **Sec. 5. As used in this chapter, "person" has the meaning set**

1 forth in IC 6-2.5-1-3.

2 Sec. 6. As used in this chapter, "retail merchant" has the
3 meaning set forth in IC 6-2.5-1-8.

4 Sec. 7. (a) The legislative body of the most populous city in the
5 county may adopt an ordinance to impose an excise tax, known as
6 the county supplemental auto rental excise tax, upon the rental of
7 passenger motor vehicles in the county for periods of less than
8 thirty (30) days. The ordinance must specify that the tax expires
9 December 31, 2036.

10 (b) The county supplemental auto rental excise tax that may be
11 imposed upon the rental of a passenger motor vehicle is two
12 percent (2%) of the gross retail income received by the retail
13 merchant for the rental.

14 (c) If the city legislative body adopts an ordinance under
15 subsection (a), the city legislative body shall immediately send a
16 certified copy of the ordinance to the commissioner of the
17 department.

18 (d) If the city legislative body adopts an ordinance under
19 subsection (a) before June 1 of a year, the county supplemental
20 auto rental excise tax applies to auto rentals after June 30 of the
21 year in which the ordinance is adopted. If the city legislative body
22 adopts an ordinance under subsection (a) on or after June 1 of a
23 year, the county supplemental auto rental excise tax applies to auto
24 rentals after the last day of the month in which the ordinance is
25 adopted.

26 Sec. 8. (a) The rental of a passenger motor vehicle by a funeral
27 director licensed under IC 25-15 is exempt from the county
28 supplemental auto rental excise tax if the rental is part of the
29 services provided by the funeral director for a funeral.

30 (b) The temporary rental of a passenger motor vehicle is exempt
31 from the county supplemental auto rental excise tax if the rental is:

- 32 (1) made or reimbursed under a contract or agreement:
 - 33 (A) between a provider and person;
 - 34 (B) given for consideration over and above the lease or
 - 35 purchase price of a motor vehicle; and
 - 36 (C) that undertakes to perform or provide repair or
 - 37 replacement service, or indemnification for that service, for
 - 38 the operational or structural failure of a motor vehicle due

- 1 to a defect in materials or skill of work or normal wear and
- 2 tear;
- 3 (2) made or reimbursed under a contract for mechanical
- 4 breakdown insurance;
- 5 (3) made or reimbursed under a contract for automobile
- 6 collision insurance or automobile comprehensive insurance
- 7 that covers the temporary lease of a vehicle to the person after
- 8 the person's vehicle is damaged or destroyed in a collision; or
- 9 (4) otherwise provided to a person as a replacement vehicle:
- 10 (A) while the person's vehicle is repaired or serviced due to
- 11 a defect in materials or skill of work, normal wear and
- 12 tear, or other damage; or
- 13 (B) until the person permanently replaces a vehicle that has
- 14 been destroyed.

15 **Sec. 9.** A person that rents a passenger motor vehicle is liable for
 16 the county supplemental auto rental excise tax. The person shall
 17 pay the tax to the retail merchant as a separate amount added to
 18 the consideration for the rental. The retail merchant shall collect
 19 the tax as an agent for the state.

20 **Sec. 10. (a)** Except as otherwise provided in this section, the
 21 county supplemental auto rental excise tax shall be imposed, paid,
 22 and collected in the same manner that the state gross retail tax is
 23 imposed, paid, and collected under IC 6-2.5.

24 (b) Each retail merchant filing a return for the county
 25 supplemental auto rental excise tax shall indicate in the return:

- 26 (1) all locations in the county where the retail merchant
- 27 collected county supplemental auto rental excise taxes; and
- 28 (2) the amount of county supplemental auto rental excise taxes
- 29 collected at each location.

30 (c) The return to be filed for the payment of the county
 31 supplemental auto rental excise tax may be:

- 32 (1) a separate return;
- 33 (2) combined with the return filed for the payment of the auto
- 34 rental excise tax under IC 6-6-9; or
- 35 (3) combined with the return filed for the payment of the state
- 36 gross retail tax;
- 37 as prescribed by the department.

38 **Sec. 11.** The amounts received from the tax imposed under this

chapter shall be paid monthly by the treasurer of state to the fiscal officer of the most populous city in the county upon warrants issued by the auditor of state.

Sec. 12. (a) If a tax is imposed under section 7 of this chapter, the fiscal officer of the most populous city in the county shall establish a county supplemental auto rental excise tax fund.

(b) The city fiscal officer shall deposit in the county supplemental auto rental excise tax fund all amounts received under this chapter.

(c) Any money earned from the investment of money in the county supplemental auto rental excise tax fund becomes a part of the fund.

(d) Money in the county supplemental auto rental excise tax fund shall be used by the city legislative body for purposes designated by the city legislative body.

Sec. 13. This chapter expires January 1, 2036."

Page 6, line 1, reset in roman "If an".

Page 6, reset in roman lines 2 through 4.

Page 8, after line 25, begin a new paragraph and insert:

"SECTION 7. IC 6-9-2-10 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 10. Employees of the convention and visitor bureau created under section 3 of this chapter may participate in the group health insurance, disability insurance, and life insurance programs established:**

(1) by the county government of the county described in section 1 of this chapter; and

(2) for the employees of the convention and visitor bureau.

SECTION 8. IC 6-9-2.5-7.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 7.5. (a) The county treasurer shall establish a tourism capital improvement fund.

(b) The county treasurer shall deposit money in the tourism capital improvement fund as follows:

(1) Before January 1, 2000, if the rate set under section 6 of this chapter is greater than two percent (2%), the county treasurer shall deposit in the tourism capital improvement fund an amount equal to the money received under section 6 of this chapter minus the amount generated by a two percent (2%) rate.

(2) After December 31, 1999, and before January 1, 2003, the county treasurer shall deposit in the tourism capital improvement fund the amount of money received under section 6 of this chapter that is generated by a one percent (1%) rate.

(3) After December 31, 2002, and before January 1, ~~2006~~, **2010**, the county treasurer shall deposit in the tourism capital improvement fund the amount of money received under section 6 of this chapter that is generated by a one and one-half percent (1.5%) rate.

(4) After December 31, ~~2005~~, **2009**, the county treasurer shall deposit in the tourism capital improvement fund the amount of money received under section 6 of this chapter that is generated by a ~~three two~~ **two** and one-half percent (~~3.5%~~) **(2.5%)** rate.

(c) The commission may transfer money in the tourism capital improvement fund to:

(1) the county government, a city government, or a separate body corporate and politic in a county described in section 1 of this chapter; or

(2) any Indiana nonprofit corporation;

for the purpose of making capital improvements in the county that promote conventions, tourism, or recreation. The commission may transfer money under this section only after approving the transfer. Transfers shall be made quarterly or less frequently under this section.

SECTION 9. IC 6-9-2.5-7.7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 7.7. (a) The county treasurer shall establish a convention center operating fund.

(b) **Before January 1, 2010**, the county treasurer shall deposit in the convention center operating fund the amount of money received under section 6 of this chapter that is generated by a two percent (2%) rate. Money in the fund must be expended for the operating expenses of a convention center.

(c) ~~This section expires January 1, 2006.~~ **After December 31, 2009, the county treasurer shall deposit in the convention center operating fund the amount of money received under section 6 of this chapter that is generated by a one percent (1%) rate. Money in the fund must be expended for the operating expenses of a convention center.**

SECTION 10. [EFFECTIVE UPON PASSAGE] **Actions taken**

1 **before the effective date of this act that would have been valid**
2 **under IC 6-9-2-10, as added by this act, are legalized and validated.**

3 SECTION 11. **An emergency is declared for this act."**

4 Renumber all SECTIONS consecutively.

(Reference is to HB 1681 as introduced.)

and when so amended that said bill do pass.

Representative Espich